

April 12, 2011

VIA E-MAIL AND FIRST-CLASS MAIL

Sharon Gillett  
Bureau Chief, Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: In the Matter of Schools and Libraries Universal Service Support Mechanism,  
CC Docket No. 02-6, Estimate of Demand for Funding Year 2011

Dear Ms. Gillett:

USAC's estimate of demand for Schools and Libraries Universal Service Support Mechanism discounts for Funding Year 2011 (July 1, 2011 to June 30, 2012) is \$4.31 billion. This estimate is based on total funds requested in 44,139 FCC Form 471 applications received or postmarked on or before March 24, 2011, the close of the FCC Form 471 filing window. A table showing demand by service type and discount band is attached to this letter.

The total estimated demand for Funding Year 2011 (\$4.310 billion) increased approximately \$394 million (10.1 percent) from the estimated demand for Funding Year 2010 of \$3.92 billion. Estimated demand for Priority One funding (telecommunications services and Internet access) is \$2.173 billion, an increase of 6.6 percent from last year (\$2.038 billion), while estimated demand for Priority Two funding (internal connections other than basic maintenance and basic maintenance of internal connections) is \$2.137 billion, an increase of 13.8 percent from last year (\$1.878 billion). Estimated demand for Priority 2 services at the 90 percent discount rate remained essentially the same at \$1.008 billion; however, the demand for Priority 2 services at the 80-89 percent discount levels for Funding Year 2011 of \$1.087 billion was 35.6 percent higher than last year (\$801.8 million). For Funding Year 2011, 98.5 percent of timely applications were filed online, the same as the Funding Year 2010. In addition, 80.9 percent of FCC Form 471 certifications were filed online, which was essentially the same as last year.

USAC's reviews will ultimately reduce the Funding Year 2011 demand from the estimated level set forth in this letter and the attachment. First, while USAC has made every effort to eliminate duplicate funding requests from this estimate, inevitably we will discover more duplication as we process these applications. Second, USAC's efforts to assure that funds are committed only for eligible services for use by eligible entities with

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the appropriate discount rate and otherwise consistent with program rules will further reduce the demand.

I would be happy to answer any questions you may have regarding this information. Thank you for your consideration as USAC prepares to launch the Funding Year 2011 commitment process.

Sincerely,



Mel Blackwell  
Vice President

Attachment: FY2011 Demand Estimate

cc: Marlene H. Dortch, Secretary, FCC (via electronic filing)  
Steven VanRoekel, Managing Director, FCC (via e-mail only)  
Mark Stephens, Chief Financial Officer, FCC (via e-mail only)  
Dana Shaffer, Deputy Managing Director, FCC (via e-mail only)  
Trent Harkrader, Division Chief, TAPD, FCC (via e-mail only)  
Patrick Halley, Policy Advisor, Office of the Bureau Chief FCC (via e-mail only)  
Gina Spade, Deputy Division Chief, TAPD FCC (via e-mail only)



# Estimate of Demand (Post Discount)

# 2011

FRN 10% Stratification Report

Report Data as of COB:

Sunday, April 10, 2011

	<u>Telecom Services</u>	<u>Internet Access</u>	<u>Priority 1</u>	<u>Internal Connections</u>	<u>Basic Maintenance</u>	<u>Priority 2</u>	<u>Total</u>	<u>Percent</u>
20:29	\$1,849,976.13	\$765,184.21	<b>\$2,615,160.34</b>	\$72,574.16	\$47,781.59	<b>\$120,355.75</b>	\$2,735,516.09	0.1%
30:39	\$3,549,491.52	\$916,646.72	<b>\$4,466,138.24</b>	\$0.00	\$0.00	<b>\$0.00</b>	\$4,466,138.24	0.1%
40:49	\$86,837,972.47	\$28,746,269.86	<b>\$115,584,242.33</b>	\$1,004,187.81	\$1,609,119.57	<b>\$2,613,307.38</b>	\$118,197,549.71	2.7%
50:59	\$117,371,316.60	\$35,057,496.15	<b>\$152,428,812.75</b>	\$2,708,654.93	\$979,215.97	<b>\$3,687,870.90</b>	\$156,116,683.65	3.6%
60:69	\$222,830,711.53	\$62,275,366.56	<b>\$285,106,078.09</b>	\$6,790,864.34	\$1,537,931.24	<b>\$8,328,795.58</b>	\$293,434,873.67	6.8%
70:79	\$377,923,849.28	\$130,116,590.13	<b>\$508,040,439.41</b>	\$24,004,966.37	\$2,875,845.45	<b>\$26,880,811.82</b>	\$534,921,251.23	12.4%
80:89	\$568,274,533.21	\$180,201,167.49	<b>\$748,475,700.70</b>	\$989,778,847.49	\$97,643,833.43	<b>\$1,087,422,680.92</b>	\$1,835,898,381.62	42.6%
90:90	\$249,591,791.55	\$106,576,071.45	<b>\$356,167,863.00</b>	\$837,907,592.35	\$170,096,677.62	<b>\$1,008,004,269.97</b>	\$1,364,172,132.97	31.7%
<b>TOTAL</b>	<b>\$1,628,229,642.29</b>	<b>\$544,654,792.57</b>	<b>\$2,172,884,434.86</b>	<b>\$1,862,267,687.45</b>	<b>\$274,790,404.87</b>	<b>\$2,137,058,092.32</b>	<b>\$4,309,942,527.18</b>	<b>100.0%</b>
	<b>37.8%</b>	<b>12.6%</b>	<b>50.4%</b>	<b>43.2%</b>	<b>6.4%</b>	<b>49.6%</b>	<b>100.0%</b>	

**Notes:**

These figures represent the total universe of requests received inside the filing window. The estimate includes those requests for which the certifications were received and postmarked by the deadline as well as those applications completed online by the deadline that are awaiting Certification. The totals above may reflect some duplicate applications. These requests are as submitted by the applicants and not yet reviewed for compliance with program rules.

Fund Year: **2011**

Apps Received: **44,139**

FRNS: **134,548**

Total Post Discount: **\$4,309,942,527.18**

Deadline (Window Close): **3/24/2011 11:59:59 PM**